

**State of Rhode Island and Providence Plantations**

**Public Utilities Commission**

**Minutes of Open Meeting Held July 26, 2004**

**Attendees:** Chairman Elia Germani, Commissioner Kate Racine, Commissioner Robert Holbrook, Steve Frias, Cindy Wilson, Thomas Massaro, Alan Nault and Luly Massaro.

**Chairman Germani called the open meeting to order at 2:00 P.M. in the first-floor hearing room of the Public Utilities Commission. A quorum was present.**

**Minutes of Open Meetings Held July 15, 2004:** After review, Chairman Germani moved to approve the minutes. The motion was seconded by Commissioner Holbrook and unanimously passed. **Vote 3-0.**

**Competitive Telecommunications Service Providers:**

The following companies submitted tariff revisions. The Division has reviewed the filings and does not recommend suspension of:

2618 – AT&T Communications of NE, Inc. (filed 7/9, 7/14, 7/19/04)

2624 – TCG Rhode Island (filed 7/13/04)

3176 - XO Long Distance Services, Inc. (filed 7/12/04)

3059 - Broadview Networks, Inc. (filed 07/16/04)

2262(P7) – MCI WorldCom (filed 7/13 & 7/16/04)

2262(A6) – Southwestern Bell Communications Services (filed 7/14/04)

2262(L) - AmeriVision Communications, Inc. (filed 6/25/04)

2262(P1) - Working Assets Funding Service, Inc. (filed 6/21/04)

After review, the Commission followed the Division's recommendation that the tariff filings be allowed to go into effect without suspension.

The following company filed notice that it has ceased operations and requests that its authority to operate be cancelled:

3372 - OneStar Communications, LLC

After review, Chairman Germani asked for a motion and Commissioner Racine moved to rescind the authority of the company to operate. The motion was seconded by Commissioner Holbrook and unanimously passed. **Vote 3-0.**

**3624 – Verizon Rhode Island (Verizon):** Verizon submitted a tariff filing to enhance existing Frame Relay Service by offering additional port speeds for effect July 31, 2004. After review, the Commission followed the Division's recommendation that the tariff filing be allowed to go into effect without suspension.

**3623 Verizon Rhode Island (Verizon):** Verizon submitted a tariff to introduce new service speed to the existing Transparent LAN Service offering for effect July 31, 2004.

After review, the Commission followed the Division's recommendation that the tariff filing be allowed to go into effect without suspension.

**3614 - Verizon Rhode Island (Verizon):** Pursuant to FCC mandate in the TRO proceeding, Verizon filed proposed revisions to RIPUC No. 18 to withdraw as a UNE the availability of Enterprise Switching service for customers using DS1 or above capacity loops for effect July 27, 2004. The Division recommended that the Commission suspend and investigate whether the proposed tariff is consistent with the Commission's objectives regarding local exchange competition.

Atty. Frias summarized that this wholesale service affects business customers and that there are presently 7 arrangements in RI. Also, Verizon has reached new agreements with CLECs that have six of the seven arrangements. He noted that no CLEC requested that the Commission investigate and maintain Enterprise Switching as a UNE in Docket 3550, and that no CLEC objected to this filing, thereby opining this proposed filing does not significantly harm CLECs in Rhode Island. Should a CLEC require this service in the future, it can enter into a new service arrangement with Verizon but not as a UNE service provided at TELRIC rates. He opined the Division, in its recommendation, did not understand the insignificance of the change and was "making a mountain of a molehill".

After discussion, Commissioner Racine supported postponing a decision and extends the courtesy to allow the Division up to 48 hours to respond to ensure that it fully understands proposed filing. Commissioner Holbrook, noting that CLECs had ample time to respond and did not file an objection, recommended that the tariff be allowed to go into effect. Chairman Germani seconded the motion. Commissioner Racine did not agree with the majority, and therefore dissented. **Vote 2-1.**

**3626 – City of Woonsocket Water Division:** Woonsocket Water submitted an application to implement new rates designed to generate additional revenues in the amount of \$2,067,150 for effect November 1, 2004. After review, Chairman Germani moved to suspend the rates for the purpose of conducting investigation and hearing. The motion was seconded by Commissioner Racine and unanimously passed. **Vote 3-0.**

**3571 – Narragansett Electric Co. (Narragansett):** The Commission discussed the several proposals by Narragansett to implement a revised Standard Offer rate. Commissioner Holbrook noted that the Company needs to recover costs that have been incurred based on contractual obligations and there is a sentiment that fuel costs will increase. In order to minimize the impact of any future fuel increase, he recommended adoption of a Standard Offer (SO) Service rate of 6.7¢ effective August 1, 2004. After discussion, Chairman Germani moved to approve a revised SO rate of 6.7¢ per kWh effective August 1, 2004. The SO rate is designed to collect the entire under recovery of \$24,374,608 through December 31, 2004. Commissioner Holbrook seconded the motion. Commissioner Racine dissented on the basis that a lower SO rate of 6.58¢ would allow

the Company to collect the under recovery through December 31, 2005 and would provide some relief to the elderly and low income customers. **Vote 2-1.**

**3617 – Narragansett Electric Co.:** Narragansett filed a comprehensive Settlement entered by and between the Narragansett, Division, Dept. of Navy, TEC-RI and Attorney General. The Settlement and proposed rates resolve all issues associated with the Company's distribution rates and rate design through December 31, 2009. The Company requests an implementation date of October 1, 2004. After review, Chairman Germani moved to suspend the rates for the purpose of conducting investigation and hearing. The motion was seconded by Commissioner Racine and unanimously passed. **Vote 3-0.**

There being no further business to discuss, the open meeting adjourned at 2:35 P.M.